

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to \$100,000

NCUA

*National Credit Union Administration
a U.S. Government Agency*

FINANCIAL HIGHLIGHTS JANUARY 31, 2005

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS

January 31, 2005

Balance Sheet:

Due from Credit Unions — of \$1.3 million represents the remaining amount of one percent deposit adjustments due from credit unions on October 18, 2004.

Prepaid & Deferred Charges — is \$1.7 for January. \$7.0 million was transferred to the operating fund to cover 57% of the agency's operating costs. January's actual operating costs were \$5.2 million.

Other Assets — represents balance due to the NCUSIF from monies loaned to NCUA for purchase of the King Street building.

Accounts Payable: Other — consists primarily of an upfront cash accrual for an assisted merger.

Provision for Credit Union Losses (Reserves) — is \$64.8 million for January. The decrease is due to funds paid out for a failed credit union in Region 1.

NCUSIF Equity — is 1.27% for January. The equity ratio is based upon an insured share base of \$500.0 billion for December 31, 2004.

Statement of Revenue and Expense:

NCUSIF Total Operating Expense — of \$5.2 million includes \$9.5 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
JANUARY 31, 2005

ASSETS	JANUARY 2004	DECEMBER 2004	JANUARY 2005
Investments:			
U.S. Government Securities	\$6,059,274,938.21	\$6,357,759,646.30	\$6,353,397,754.15
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits	0.00	0.00	0.00
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Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	30,951.53	1,558,181.60	1,320,404.24
Loans due to NCUSIF	1,501,419.24	4,495,917.94	4,495,917.94
Recoveries from Liq. CU	12,529,542.05	16,626,862.98	14,641,201.10
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Total Other Receivables	14,061,912.82	22,680,962.52	20,457,523.28
Cash	5,024.02	5,403.01	5,487.16
Interest Receivable	62,813,049.71	38,245,967.84	45,770,678.62
Prepaid & Deferred Charges	1,651,794.45	0.00	1,684,378.16
Leased Assets	895,878.94	516,275.17	481,748.60
Other	26,375,171.58	25,144,878.89	25,033,034.10
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TOTAL ASSETS	\$6,165,077,769.73	\$6,444,353,133.73	\$6,446,830,604.07
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LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$7,904,311.12	\$16,093,421.04	\$15,505,424.78
Other	9,533.40	1,293,979.14	1,084,691.41
Check Clearing Accounts	0.00	6,820.49	0.00
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	7,913,844.52	17,394,220.67	16,590,116.19
Provision for CU Losses (Reserves)	78,552,665.52	67,126,296.26	64,832,107.75
Lease Liabilities	831,636.47	524,736.47	419,494.06
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TOTAL LIABILITIES	\$87,298,146.51	\$85,045,253.40	\$81,841,718.00
EQUITY			
CU Contributed Capital	\$4,704,595,968.57	\$4,943,143,622.78	\$4,942,627,448.04
Retained Earnings	1,373,183,654.65	1,416,164,257.55	1,422,361,438.03
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TOTAL EQUITY	\$6,077,779,623.22	\$6,359,307,880.33	\$6,364,988,886.07
TOTAL LIABILITIES & EQUITY	\$6,165,077,769.73	\$6,444,353,133.73	\$6,446,830,604.07
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending January 31, 2005

	JAN 04	DEC 04	JAN 05
1. Investments/Total Assets	98.28%	98.66%	98.55%
2. Total Equity/Insured Shares	1.27%	1.27%	1.27%
3. Prov. for Losses/CU Capital	1.67%	1.36%	1.31%
4. Non-Earning/Total Assets	1.29%	0.95%	1.06%
5. Available Asset Ratio	1.25%	1.25%	1.25%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING JANUARY 31, 2005

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2005	CY TO DATE BUDGETED 2005	CY TO DATE 2004
Investment Income	\$11,329,774.44	\$11,500,000.00	\$11,329,774.44	\$11,500,000.00	\$10,362,523.99
Other Income	42,730.72	44,000.00	42,730.72	44,000.00	49,861.86
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Total Income	11,372,505.16	11,544,000.00	11,372,505.16	11,544,000.00	10,412,385.85
EXPENSE					
Employee Pay	3,742,550.82	4,116,711.73	\$3,742,550.82	4,116,711.73	4,209,949.69
Employee Benefits	932,161.58	1,064,771.14	\$932,161.58	1,064,771.14	1,010,620.98
Employee Travel	105,252.03	608,897.60	\$105,252.03	608,897.60	59,665.07
Rent/Communications/Utilities	95,420.15	186,679.74	\$95,420.15	186,679.74	201,374.08
Administrative Costs	389,752.32	498,672.47	\$389,752.32	498,672.47	581,587.51
Contracted Services	(99,334.23)	393,604.84	(\$99,334.23)	393,604.84	(100,360.41)
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Subtotal NCUA Operating Exp.	5,165,802.67	6,869,337.53	5,165,802.67	6,869,337.53	5,962,836.92
AMAC Expense	0.66	1,589.33	0.66	1,589.33	4,684.86
Training Expense	(25,736.34)	90,000.00	(25,736.34)	90,000.00	16,559.00
Leasing Expense	35,157.69	35,000.00	35,157.69	35,000.00	35,772.73
Other Insurance Expense	100.00	3,500.00	100.00	3,500.00	3,031.32
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Total Operating Exp.	5,175,324.68	6,999,426.86	5,175,324.68	6,999,426.86	6,022,884.83
Insurance Loss	0.00	1,500,000.00	0.00	1,500,000.00	0.00
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Total Expense	5,175,324.68	8,499,426.86	5,175,324.68	8,499,426.86	6,022,884.83
NET INCOME	\$6,197,180.48	\$3,044,573.14	\$6,197,180.48	\$3,044,573.14	\$4,389,501.02
	=====	=====	=====	=====	=====
Retained Earnings, Beginning of Year			\$1,416,164,257.55		\$1,368,794,153.63
Prior Year Adjustment			0.00		0.00
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As Restated			1,416,164,257.55		1,368,794,153.63
Net Income			6,197,180.48		4,389,501.02
			-----		-----
			1,422,361,438.03		1,373,183,654.65
Dividends			0.00		0.00
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Retained Earnings, End of Year			\$1,422,361,438.03		\$1,373,183,654.65
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Comparative Analysis of NCUSIF Ratios for January 31, 2005

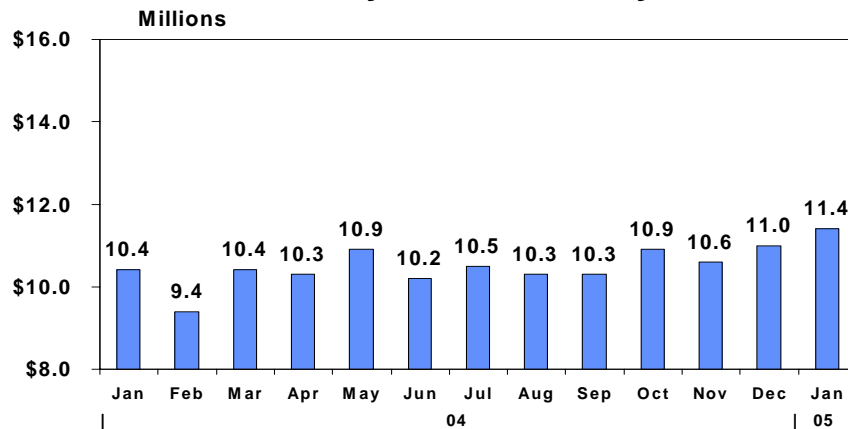
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	70.91%	45.51%	57.84%	45.51%
2. Ins. Loss/Total Income	-142.23%	0.00%	0.00%	0.00%
3. Total Exp./Total Income	-71.32%	45.51%	57.84%	45.51%
4. Net Income/Total Income	171.32%	54.49%	42.16%	54.49%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
January 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$3,805,063.66
Other income received	42,730.72
Cash paid for operating expenses	(7,040,653.37)
Net cash (paid) received for insurance losses	<u>(896,522.89)</u>
Net cash provided by operating activities	(4,089,381.88)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	4,256,018.62
Collections on note receivable - National Credit Union Administration Operating Fund	<u>111,844.79</u>
Net cash provided by (used in) investing activities	4,367,863.41
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	(278,397.38)
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	(278,397.38)
NET INCREASE (DECREASE) IN CASH	84.15
CASH, BEGINNING OF YEAR	5,403.01
CASH, ENDING JANUARY 31, 2005	<u><u>\$5,487.16</u></u>

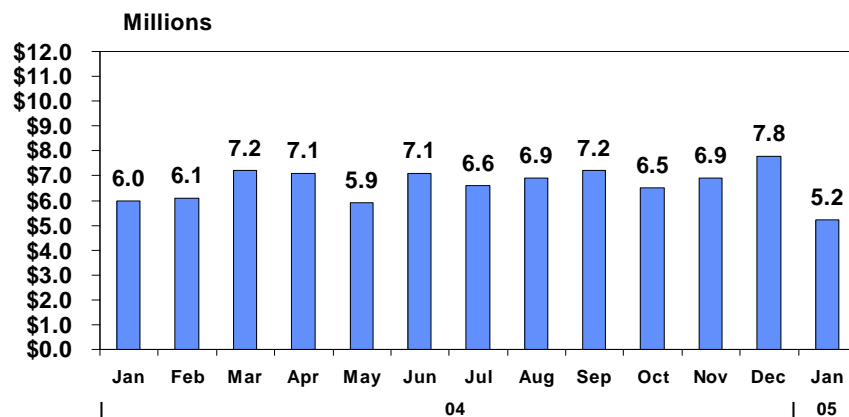
GROSS INCOME

January 04 – January 05



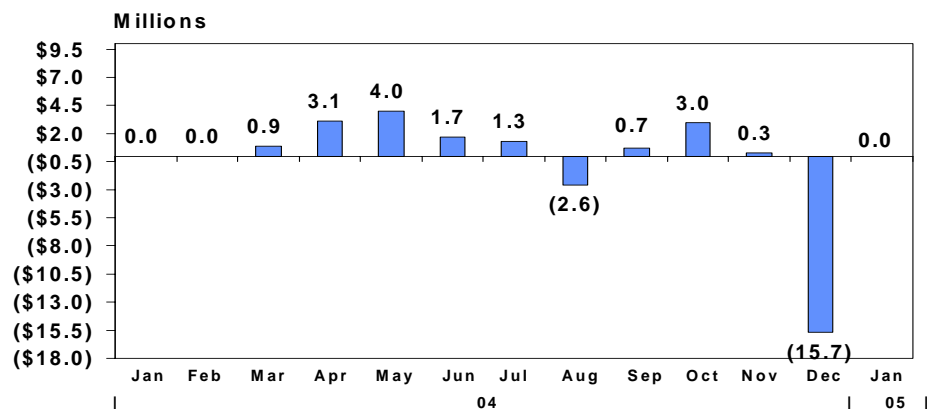
OPERATING EXPENSE

January 04 – January 05



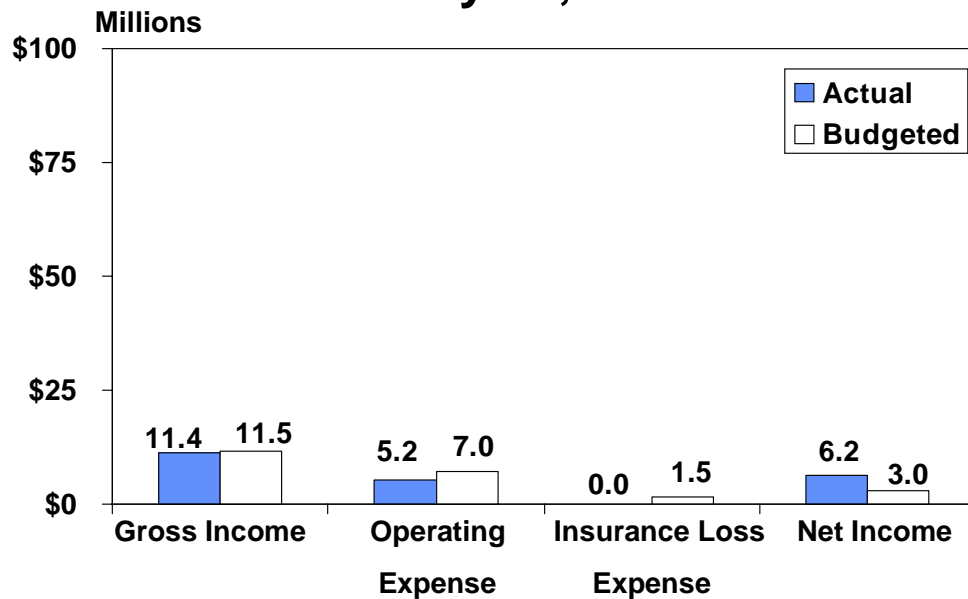
INSURANCE LOSS EXPENSE

January 04 – January 05



REVENUE AND EXPENSE

January 31, 2005



NCUSIF EQUITY RATIO

January 31, 2005

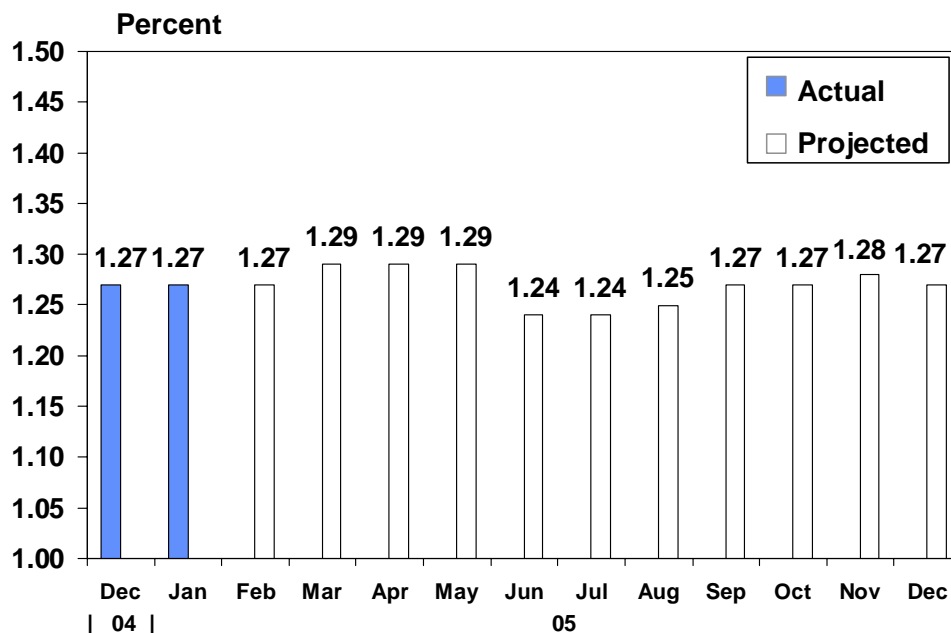


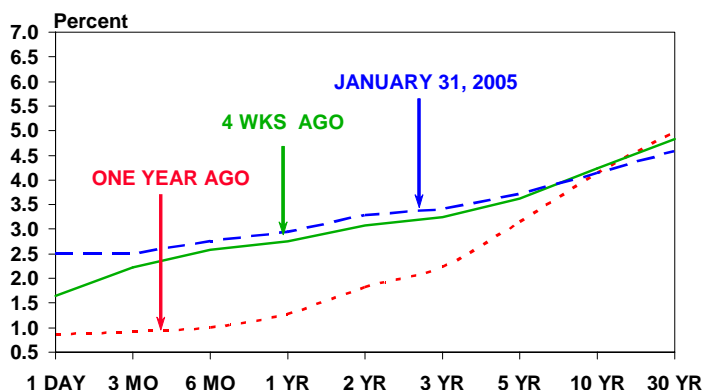
TABLE 4

INVESTMENT PORTFOLIO SUMMARY

JANUARY 31, 2005

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	(Gain or Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,973,445,000	\$1,973,445,000	\$0	100.0%	2.17%
U.S. Treasury Notes	\$4,379,952,755	\$4,335,937,500	(\$44,015,255)	99.0%	2.07%
TOTAL	\$6,353,397,755	\$6,309,382,500	(\$44,015,255)	99.3%	2.10%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY04 Projections	
Investment Yield	2.01%	2.10%	2.10%	2.75%	
Investment Income	\$10,983,176	\$11,329,775	\$11,329,775	138 Million	
Income Budgeted	\$10,500,000	\$11,500,000	\$11,500,000	138 Million	
Income/Budgeted Ratio	104.6%	98.5%	98.5%	100.00%	
Weighted Avg. Maturity in Days	321	298			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	2,673.4				
3 months - 1 year	1,300.0				
1 year - 2 years	1,400.0				
2 years - 3 years	800.0				
3 years - 4 years	100.0				
TOTAL	\$6,273.4				

TREASURY YIELD CURVE



MATURITY SCHEDULE

January 31, 2005

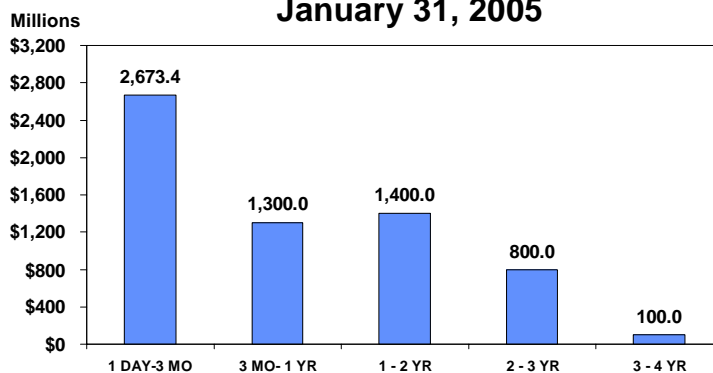


TABLE 5

MONTHLY YIELD COMPARISONSJanuary 31, 2005

YIELD COMPARISONS								
	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05
NCUSIF Yield	1.98%	1.97%	1.92%	2.00%	2.00%	2.00%	2.01%	2.10%
90 day T-Bill	1.28%	1.40%	1.59%	1.70%	1.89%	2.21%	2.22%	2.50%
1 year T-Bill	2.04%	2.02%	1.96%	2.20%	2.28%	2.61%	2.75%	2.94%
2 year T-Note	2.70%	2.64%	2.37%	2.64%	2.57%	2.99%	3.08%	3.28%
30 year T-Note	5.30%	5.19%	4.91%	4.92%	4.81%	5.00%	4.84%	4.57%

YIELD COMPARISONS

JANUARY 31, 2005

